

BYLAWS OF THE
SOUTHWEST MISSOURI BOARD OF REALTORS®, INC.
APPROVED FEBRUARY 2020

BOARD BYLAWS

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Revised January, 1995
Adopted March 21, 1995
Revised August, 1995
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Revised January 4, 2007
Revised April 9, 2009
Revised April 9, 2013
Revised April 24, 2017
Revised February 2020

ARTICLE I – NAME

- Section 1.** **NAME.** The name of this organization shall be the Southwest Board of REALTORS®, Incorporated, hereafter referred to as the “Board”.
- Section 2.** **REALTORS®** Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the association shall be governed by the *Constitution and Bylaws of the National Association of REALTORS®* as from time to time amended.

ARTICLE II – OBJECTIVES

The objectives of the association are:

- Section 1.** To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.
- Section 2.** To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATI National Association of REALTORS®
- Section 3.** To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- Section 4.** To further the interest of home and other real property ownership.
- Section 5.** To unite those engaged in the real estate profession in this community with the Missouri Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- Section 6.** To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III – JURISDICTION

- Section 1.** The territorial jurisdiction of the board as a Member of the National Association of REALTORS® is Barry County and Lawrence County in the State of Missouri.
- Section 2.** Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the board agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV – MEMBERSHIP

- Section 1.** There shall be eight classes of members as follows:
- A. **REALTOR® Members.** REALTOR® members, whether primary or secondary shall be:

1. Individuals who, as sole proprietors, partners, corporate officers, or branch office managers are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Missouri or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (*Amended 101*)

Note: REALTOR® members may obtain membership in a “secondary” board in another state.

2. Individuals who are engaged in the real estate profession other than sole proprietors, partners, corporate officers, or branch office managers, or as individuals in positions of management control, and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
3. **Franchise REALTOR® Membership.** Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions, and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the *NAR Constitution and Bylaws*. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) **except:** obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization’s name; and the right to hold elective office in the local board, state association and National Association.
4. **Primary and Secondary REALTOR® Members.** An individual is a primary member if the Board pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Board in order for licensees affiliated with the firm to select the Board as their “primary” Board.
5. **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate, in writing, one REALTOR® Member who shall be responsible for all duties and obligations of Membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code

of Ethics and the payment of Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws. (Amended 11/11)

B. Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership. (Amended Jan/02)

C. Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board.

Note: Affiliate membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

D. Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.

E. Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Board, or for the Public.

F. Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

G. Life Members. Life membership shall be conferred upon individuals who are members of this association under the following circumstances:

1. Past President of the Missouri Association of REALTORS®,
2. Past Board or MLS President of the Southwest Board of REALTORS®; or
3. A current member of the Southwest Board of REALTORS® who:

- a. has held membership in the association for a minimum of thirty (30) years and must have served the local association for a cumulative period of five (5) years in any of the following: local Board or MLS director, MAR state director, committee chair or task force chair for the local, state or National Association of REALTORS®, or District Vice President (DVP), and
 - b. who holds a current Missouri real estate license or be licensed or certified as a real estate appraiser in good standing with complaints pending before the Missouri Real Estate Commission, the Missouri Real Estate Appraiser's Commission, or the Southwest Board of REALTORS® Professional Standards Committee. Applications for Life Membership status shall be submitted to the Executive Committee on a form provided by the association. The Executive Committee shall review the application and make its recommendation to the Board of Directors for presentation. Past Presidents of (1) Missouri Association of REALTORS®, (2) Southwest Board of REALTORS® or MultiList Service are automatic Life members without submitting application to the Executive Committee.
- H. **MAR State Officer Membership:** The current President, President-Elect, Treasurer, and Immediate Past President shall be a REALTOR® member in good standing without further dues payment. The purpose of the class of membership is to provide the state officers local board standing so that they serve as the accredited or alternate voting delegate at the annual meeting of the members of the NATIONAL ASSOCIATION OF REALTORS®. This would be a secondary membership as they would hold their primary membership in their home association.

ARTICLE V – QUALIFICATION AND ELECTION

Section 1. APPLICATION. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statement to be signed by applicant:

- A. That applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and the Rules and Regulations of the Board, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate (or to mediate if required by the association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and
- B. That applicant consents that the Board, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Board by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws,

Constitution, Rules and Regulations, and Code of Ethics referred to above. (Amended 11/11)

Section 2. QUALIFICATION.

An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the State or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass each such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.

* **NO RECENT OR PENDING BANKRUPTCY** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or a branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the association established that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that the bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

** No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- a) Judgments against the applicant within the past three (3) years of violations:
 - 1) Civil rights laws,
 - 2) Real estate license laws, and
 - 3) Other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- b) Criminal convictions if:
 - 1) The crime was punishable by death or imprisonment in excess of one (1) year under the law under which the applicant was convicted, and
 - 2) No more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE 1: One or more of the requirements for REALTOR® membership is set forth above in Article V, Section 2 (a) may be deleted at the association's discretion. However, associations may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association.

NOTE 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

- A. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® members of the association or a Designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS® within sixty (60) calendar days from the date of application and shall pass such reasonable and non-discriminatory written examinations thereon as may be required by the Board of Directors and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

The course of instruction is waived if the applicant has attended a previous course within the past twelve (12) months prior to the date of application, unless otherwise granted by the Board of Directors on written request.

* No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- a) Judgments against the applicant within the past three (3) years of violations:
 - 1) Civil rights laws,
 - 2) Real estate license laws, and
 - 3) Other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- b) Criminal convictions if:
 - 1) The crime was punishable by death or imprisonment in excess of one (1) year under the law under which the applicant was convicted, and
 - 2) No more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

- C. The Board/Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership
2. duties in this or any other REALTOR® association within the past three (3) years

3. Pending ethics complaints (or hearings)
4. Unsatisfied discipline pending
5. Pending arbitration requests (or hearings)
6. Unpaid arbitration awards or unpaid financial obligations to this or any other
7. REALTOR® association or REALTOR® association MLS
8. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2 A Note 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the associations may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. ELECTION. The procedure for election to membership shall be as follows:

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within _____ days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days

that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

Section 4. NEW MEMBER CODE OF ETHICS ORIENTATION. Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within sixty (60) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®.

Section 5. REALTOR® CODE OF ETHICS TRAINING.
Effective January 1, 2019, through December 31, 2021, and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria

established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. STATUS CHANGES.

- A. A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the board of directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Boards' Bylaws.

- B. Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- C. Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI – PRIVILEGES AND OBLIGATIONS

- Section 1.** The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.
- Section 2.** Any Member of the Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Board. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTOR® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®
- Section 3.** Any REALTOR® Member of the Board may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Board, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.
- Section 4.** Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.
- Section 5.** If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.
- (a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership

lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)

Section 6. REALTOR® MEMBERS. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Board are paid in full shall be entitled to vote and to hold elective office in the Board; and may use the term REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Board and the real estate profession.

- A. If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined member or unless connection of the disciplined Member, with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the term REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.
- B. In any action taken against a REALTOR® Member for suspension or expulsion under Section VI (a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section VI (a) shall apply.

Section 7. INSTITUTE AFFILIATE MEMBERS. Institute Affiliate members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the *Constitution and Bylaws* of the National Association of REALTORS®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the .REALTOR® logo; to serve as president of the local association; or to be a Participant in the local association's Multiple Listing Service. (Amended Jan/02).

Section 8. AFFILIATE MEMBERS. Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

- Section 9. PUBLIC SERVICE MEMBERS.** Public Service members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.
- Section 10. HONORARY MEMBERS.** Honorary members shall confer only the right to attend meetings and participate in discussions.
- Section 11. STUDENT MEMBERS.** Student members shall have rights and privileges and be subject to all the obligations prescribed by the Board of Directors.
- Section 12. LIFE MEMBERS.** Life members shall have all the rights privileges and be subject to all the obligations of REALTOR® members.
- Section 13. CERTIFICATION BY REALTOR®.** "Designated" REALTOR® Members of the Board shall certify to the Board during the month of January, on a form provided by the Board, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.
- Section 14. HARASSMENT.** Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice-President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.
- NOTE:** Suggested procedures for processing complaints of harassment are available online through <http://www.REALTOR.org>, or from the Member Policy Department. (Amended 5/08)

ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION

- Section 1.** The responsibility of the Board and of Board Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the

NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws; provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Board as from time to time amended.

Section 3. The responsibility of The Board and Board Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Board, which by this reference is made a part of these Bylaws.

ARTICLE VIII – USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use of the term REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. *(Amended 06/2006)*

Section 2. REALTOR® Members of the Board shall have the privilege of using the term REALTOR® and REALTORS® in connection with their places of business within the State or State contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege. *(Amended 1196)*

Section 3. A REALTOR® Member who is the principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Section 1 (b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate office, or branch office manager holds REALTOR® membership, the term

REALTOR® or REALTORS® may not be used in any reference to those additional places of business. *(Amended 101)*

Section 4. Institute Affiliate members shall not use the terms REALTOR® and REALTORS® nor the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE IX – STATE AND NATIONAL MEMBERSHIPS

Section 1. The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Missouri Association of REALTORS®. By reason of the Board's Membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Missouri Association of REALTORS® without further payment of dues. (*) The Board shall continue as a Member of the State and National Associations, unless by a majority vote of all its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated conditions imposed upon the terms.

Section 3. The Board adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Board and all its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Missouri Association of REALTORS®.

ARTICLE X – DUES AND ASSESSMENTS

Section 1. APPLICATION FEE.

- A. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Board upon final approval of the application. *(Amended 1/02)*
- B. If a REALTOR® member terminates membership and applies for reinstatement within thirty (30) calendar days of termination the application fee shall be waived.
- C. When a REALTOR® member's office is closed and membership resignation is received in writing, the former REALTOR® member may make application for membership again without payment of a new application fee, provided the REALTOR® member was in good standing at the time the office was closed and a new application is received within thirty (30) calendar days after reopening an office.

Section 2. DUES. The annual dues of members shall be as follows:

A. **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be \$100 plus an amount equal to \$100 times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board in the state or state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board. * (Amended 1/05)

- (1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis or which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable to the principal, partner, corporate officer, or branch manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

- B. **REALTOR® Members:** The annual dues of REALTOR® members other than a designated REALTOR® shall be as established annually by the Board of Directors. (Amended 1/05)
- C. **Institute Affiliate Members:** The annual dues of each Institute Affiliate members shall be as established in Article II of the *Bylaws of the National Association of REALTORS®*.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

- D. **Affiliate Members:** The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors. (Amended 1/05)
- E. **Public Service Members:** The annual dues of each Public Service members shall be in such amount as established annually by the Board of Directors. (Amended 1/05)
- F. **Honorary Members:** Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)
- G. **Student Members:** Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)
- H. **Life Members:** The annual dues of Life Members will be the amount assessed for members by the Missouri Association of REALTORS® and the National Association of REALTORS®. The Missouri assessment is waived if Life Membership is also granted by the Missouri Association of REALTORS®.

Section 3. DUES PAYABLE. Dues for all members shall be payable annually in advance on the first day of January and become delinquent on January 31. Dues for new members shall be computed from the date of application and granting of provisional membership. A late penalty fee per members as established annually by the Board of Directors shall be assessed if dues are not paid by January 31.

- A. In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of association dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of notice of termination.
- B. If any real estate salesperson or licensed or certified appraiser employed by or affiliated as an independent contractor with a designated REALTOR® does not qualify for membership within sixty (60) calendar days following such employment or affiliation, the designated REALTOR® shall be liable in accordance with Section 2.

Section 4. NONPAYMENT OF FINANCIAL OBLIGATIONS.

- A. If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Board or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a matter prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. TRANSFER FEE. A transfer fee, as established by the Board of Directors, is due and payable by a REALTOR® member who transfers from one designated REALTOR® member to another. The fee shall be paid by the newly designated REALTOR® when a salesperson not a REALTOR® member transfers from one designated REALTOR® member to another.

Section 6. DEPOSITS AND EXPENDITURES. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. (Amended 11/05)

Section 7. NOTICE OF DUES, FEES, FINES, ASSESSMENTS, AND OTHER FINANCIAL OBLIGATIONS OF MEMBERS. All dues, fees, fines, assessments, and other financial obligations to the board or board multiple listing service shall be noticed to the delinquent board member in writing setting forth the amount owed and a due date.

Section 8. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past Presidents of the National Association, and recipients of the Distinguished Service shall be determined by the Board of Directors.

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Board is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Board. The dues obligation of such individuals to the local Board should be reduced to reflect the reduction in the Board's dues obligation to the National Association. The Board may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Board's obligation to the State Association with respect to such individuals. Member Boards should determine whether dues payable by the Board to the State Association are reduced with respect to such individuals.

It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the Board with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not themselves Members of the local Board.

ARTICLE XI – OFFICERS AND DUTIES

OFFICERS. The elected officers of the board shall be a president, vice president, a secretary and a treasurer. (The secretary and treasurer may be the same person). The elected officers shall be elected for terms of 1 year. An executive officer may be employed by the board of directors.

The elected officers shall be elected in the manner hereinafter provided. They shall hold office for such time as elected and until successors have been duly installed, unless removed from office by the majority vote of the REALTOR® members, as provided for under Quorum, Article XII, Section 4. No officer shall be paid compensation, but it shall be lawful for the board of directors to employ an Association Executive/Chief Executive Officer and such assistants as may be necessary for such period of time as the board of directors shall deem proper. No debt shall be incurred by an officer for the association without consent of the board of directors.

Section 1.

Section 2.

DUTIES OF OFFICERS. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep up the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Missouri Association of REALTORS®. (Amended 1/05)

Section 3.

BOARD OF DIRECTORS.

- A. The governing body of the association shall be a board of directors consisting of the elected officers, immediate past president of the association, and five elected REALTOR® members of the association. This shall consist of three local directors and two state association directors. In the absence, refusal, or inability of the president, 1st vice president (president-

elect), or 2nd vice president to act, the board of directors shall have the power to appoint one of its own members acting president, who shall serve until president, 1st vice president (president-elect) or 2nd vice president shall be in a position to resume office, or until a new president and 1st vice president (president-elect) have been elected at the next annual meeting as above provided.

- B. The election of officers and directors shall take place at the annual meeting or where permitted by law, electronically.

The six (6) directors (three each year) shall be elected to serve for a period of two (2) years or until their successors have been duly elected and qualified. No person who has been elected to the office of director shall be eligible to succeed himself to the office of director.

Section 4. HONORARY DIRECTORS. The six (6) directors (three each year) shall be elected to serve for a period of two (2) years or until their successors have been duly elected and qualified. No person who has been elected to the office of director shall be eligible to succeed himself to the office of director.

Section 5. ELECTION OF OFFICERS AND DIRECTORS.

- A. The President, with the approval of the board of directors shall appoint a nominating committee of seven (7) REALTOR® members, prior to the nominating committee meeting to select the slate of proposed candidates. The committee shall by notice, invite suggested candidates from the REALTOR® membership in writing. Such suggestions must be received within ten (10) days of date of notice. The nominating committee shall select one candidate for each office to be filled on the board of directors. The report of the nominating committee shall be mailed or where permitted by state law, electronically transmitted to each member eligible to vote by August 10. Additional candidates for the officer to be filled may be placed in nomination by petition, available at the board office, signed by at least 10% of the REALTOR® members eligible to vote. The petition shall be filed with the Association Executive/Chief Executive Officer by August 30. The petition must state the position the candidate is seeking. Notice of such additional nominations, if any, shall be mailed or where permitted by state law, electronically transmitted to all members at least ten (10) days before the election. If there are no nominations by petition the officer in charge of the meeting shall cast a unanimous ballot for the slate as selected by the Nominating Committee and declare the slate nominated.
- B. If one or more additional candidates are nominated by petition, the notice of such candidates shall state the date of election, which shall be held at the board office prior to the annual meeting between the hours of 9:00 a.m. and 3:00 p.m., under the supervision of the Election Committee. Absentee ballots will be allowed on forms provided by the Election Committee, which must be returned to the board office by 5:00 p.m. of the day prior to the election.

Proxy votes are not permitted. Members will be entitled to the number of votes per directors' positions as there are positions to be filled. The positions will be filled in succession by the candidates receiving the highest number of votes. If there are positions open for unexpired terms, those positions will be filled by the next highest number of votes after the full terms are determined.

- C. The election of Officers and Directors shall take place at the annual meeting or where permitted by state law electronically. Where by permitted by state law and in accordance with applicable state requirements, election of officers may be conducted by electronic means. The method and procedures to be established by board of directors.
- D. The President, with approval of the board of directors shall appoint an Election Committee of at least seven (7) REALTOR® members, to conduct the election. In case of a tie vote, the issues shall be determined by lot.

Section 6. VACANCIES. Vacancies among the officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 7. REMOVAL OF OFFICERS AND DIRECTORS. In the event that an officer or director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

- A. A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- B. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Board shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
- C. The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Section 8. ASSOCIATION EXECUTIVE/CHIEF EXECUTIVE OFFICER. There shall be an Association Executive/Chief Executive Officer, appointed by the Board of Directors who shall be the chief administrative officer of the association. The Association Executive/Chief Executive Officer shall have the authority to hire, supervise, evaluate, and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

ARTICLE XII – MEETINGS

Section 1. ANNUAL MEETING. The annual meeting of the board shall be held during October of each year, the date, place, and hour to be designated by the Board of Directors. (Amended 1/05)

- Section 2. MEETINGS OF DIRECTORS.** The Board of Directors shall designate a regular time and place of meetings. Absence from three consecutive regular meetings without excuse deemed valid by the Board of Directors shall be construed as resignation.
- Section 3. OTHER MEETINGS.** Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent (10%) of the Members eligible to vote. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting..
- Section 4. QUORUM.** A majority of the total members of the board of directors shall constitute a quorum for the transaction of business. A majority of the members present, voting either affirmative or negative, shall be decisive, except as otherwise provided in these Bylaws.
- Section 5. ELECTRONIC TRANSACTION OF BUSINESS.** To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means. (Adopted 1/05)
- Section 6. ACTION WITHOUT MEETING.** Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the secretary to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 1/05)

ARTICLE XIII – COMMITTEES

- Section 1. EXECUTIVE COMMITTEE.** An Executive Committee shall consist of the president, 1st vice president (president-elect), 2nd vice president, secretary, treasurer and immediate past president of the board in addition to the president of the Multilist Service, 1st vice president (president-elect), 2nd vice president, secretary/treasurer and immediate past president of the Multilist Service. The Executive committee shall conduct the affairs of the association and shall have all the powers of the board of directors during intervals between its meetings provided, however, the Executive committee shall report on all actions taken during any interval at the next scheduled meeting of the board of directors. Meeting times and places of this committee shall be at the committee's discretion.

At any meeting of the Executive committee, a majority of the total number of its members, then serving shall constitute a quorum and all actions of the Executive committee must be approved by majority vote of those present.

- Section 2. STANDING COMMITTEES.**
The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees:

- Education
- Finance
- Membership
- Legislative Affairs

- Communications
- Bylaws

NOTE: Other standing committees which may be listed under this section include, but are not limited to, finance, legislative, public relations, membership, REALTOR® protection, education, equal opportunity, RPAC fundraising, international, commercial, affordable housing, community service, REALTOR®-of-the-year, etc. (Amended 1/05)

Section 3. SPECIAL COMMITTEES. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 4. ORGANIZATION. All committees shall be of such size and shall have duties, functions and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 5. PRESIDENT. The President shall be an ex-officio member of all committees and shall be notified of their meetings.

Section 6. ACTION WITHOUT MEETING. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 1/05)

Section 7. ATTENDANCE BY TELEPHONE. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the meeting. (Adopted 1/05)

ARTICLE XIV – FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Board shall be the calendar year.

Section 2. The elective year of the association shall be January to December.

ARTICLE XV – RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - INDEMNIFICATION

Section 1. The Southwest Board of REALTORS® shall indemnify any and all persons who may serve or have served at any time as officers, directors, committee members or employees and their respective heirs, administrators, successors and assigns against any and all expenses including amounts paid in settlement (before or after suit is commenced) actually and necessarily incurred by such person in connection with the defense or settlement of any claim, action, suit or proceeding in which they,

or any of them are made parties, or a party, or which may be asserted against any of them, by reason of being or having been an officer, director, committee member, or employee or former officer, director, committee member, or employee shall be adjudged in any action, suit or proceeding to be liable for their own negligence or misconduct in the performance of their duty. Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, bylaw agreement or otherwise.

ARTICLE XVII - AMENDMENTS

- Section 1.** These Bylaws may be amended by the majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the board of directors may, at any regular or special meeting of the board of directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.
- Section 2.** Notice of all meetings at which amendments are to be considered shall be mailed to every Member eligible to vote at least one (1) week prior to the meeting.
- Section 3.** Amendments to these Bylaws affecting the admission or qualifications of REALTOR® and Institute Affiliate Members, the use of the term REALTOR® and REALTORS® or any alteration in the territorial jurisdiction of the Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVIII - DISSOLUTION

- Section 1.** Upon the dissolution or winding up of the affairs of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Missouri Association of REALTORS® or, within its discretion, to any other non-profit, tax exempt organization. (Amended 1/05)
- Section 2.** **REPEALING CLAUSE.** All previous Bylaws heretofore adopted by this corporation are hereby repealed.

ARTICLE XIX – MULTIPLE LISTING

The Multiple Listing Service is operated as a separate Corporation, wholly-owned by the Board

- Section 1.** **AUTHORITY.** The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of Missouri, all the stock of which shall be owned by the Southwest Missouri Board of REALTORS®.
- Section 2.** **PURPOSE.** A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real

property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). *(Amended 11/04)*

Section 3. GOVERNING DOCUMENTS. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. PARTICIPATION. Any REALTOR® member of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. *(Amended 11/08)*

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a

Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. *(Adopted 11/08)*

* Any applicant for MLS participation and any licensee (including licensed or certified appraiser) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancement and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

** Generally, associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "participant". If each principal is defined as a "participant", then each shall have a separate vote on MLS matters. Brokers and salespersons other than principals are not considered "participants" in the service, but have access to and use of the service through the principal(s) with whom they are affiliated.

Section 5. ACCESS TO COMPARABLE AND STATISTICAL INFORMATION. Only MLS Participants are entitled to receive statistical reports, sold information and other informational reports derived from the MLS.

Section 6. SUBSCRIBERS. Subscribers (or users) of the MLS include non-principal brokers, sales associates and licensed and certified appraisers affiliated with participants.

Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.

MEMBERSHIP POLICY STATEMENTS APPROVED BY THE BOARD OF DIRECTORS
NATIONAL ASSOCIATION OF REALTORS®
(THE FOLLOWING POLICY STATEMENTS ARE INFORMATIONAL, AND NOT PART OF THE BYLAWS)

Statements of Membership Policy Related to Implementation of Board of Choice

That, effective upon approval by the Board of Directors, the following statements of membership policy and amendments to the Model Board Bylaws to implement the board of choice proposal be adopted.

- 1) The primary board of affiliation elected by a REALTOR® must be in the state where the REALTOR® is licensed and maintains his/her principal place of business. Licensees affiliated with a REALTOR® firm may choose as their "primary" board any board in the state where the firm maintains a "Designated" REALTOR®.
- 2) Membership shall be available in a secondary board on terms and conditions no more stringent than the requirements established in the Board's Bylaws for REALTOR® and (REALTORS-ASSOCIATE® where applicable) membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR® or REALTOR-ASSOCIATE® membership in their primary board without any requirement that the Designated REALTOR® they are licensed or affiliated with, hold membership in the secondary board. However, MLS services will only be available if the Designated REALTOR® participates in the MLS. Board dues shall not include a national allocation since NAR dues have been paid through the member's primary board. A state allocation may only be included if the member's primary board is located in a different state.
- 3) REALTORS® shall be entitled to purchase services from boards other than their primary board without the necessity of holding membership in those boards. Service fees will be determined by the individual boards. However, the board may require that a REALTOR® (principal) be licensed in the state as a condition of MLS participation. *(Adopted 294; Amended 11/96)*

Concerning Board of Choice Across State Lines

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary board across contiguous state lines. State association membership would be in the state where primary board membership is held. *(Adopted 11/95)*

Portability of Membership Records (Files)

In order to facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualification for REALTOR® or REALTOR-ASSOCIATE® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous application for membership;
2. All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available);
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
4. Incomplete or (pending) disciplinary measures;
5. Pending arbitration requests (or hearings); and
6. Unpaid arbitration awards or unpaid financial obligations to the association or its MLS.
7. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

An association may, at its discretion, consider information received from other associations when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR's Membership Qualification Criteria). *(Adopted 2196)*

Clarification of the Term “Principal”

The term "principal" as used in the NAR Constitution and Bylaws and in other relevant policies, includes licensed or certified individuals who are sole proprietors, partners in a partnership, officers or majority shareholders of a corporation, or office managers (including branch office managers) acting on behalf of principals of a real estate firm. *(Adopted 11/96)*

Secondary Membership in a Board/Association

When a member has joined a primary association and paid local, state, and national dues, secondary membership may be held in a local association in another state (provided the applicant meets all of the qualifications for membership) without holding membership in that state association, or alternatively, secondary membership may be held directly in the state association without holding membership in a local association in that state. *(Adopted 11/96)*

Membership Requirements Related to Multiple Office Locations

When considering an applicant for REALTOR® membership who is a principal in a real estate firm, associations have an obligation to determine that all of the principals of the real estate firm who are actively engaged in the real estate business in the state are either applying for or already hold REALTOR® membership (or Institute Affiliate membership, if applicable) in a board or association. *(Adopted 11/96)*

If an association (local, state, national) is notified by another association that a REALTOR® member has an office location elsewhere in the state that is not functioning as a "REALTOR®- office" (i.e., licensees affiliated with the office are not members or are not accounted for under the DR dues formula) the association where the REALTOR® holds primary membership shall be responsible, in cooperation with the state and national associations, for ensuring compliance with applicable membership policies (i.e., that said licensees hold membership in the REALTOR®'s primary association - or some other association in the state where the firm maintains a designated REALTOR® presence - or that dues have been paid to an association based on non-member licensees affiliated with the office. *(Adopted 11/96)*